

HIS HIGHNESS' GOVERNMENT, JAMMU AND KASHMIR.

AUDIT CODE

VOLUME III

(INSURANCE AUDIT)

FIRST EDITION.

ISSUED BY AUTHORITY OF HIS HIGHNESS' GOVERNMENT.



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P R E F A C E .

The Present Volume of the Audit Code, has been compiled solely for use of the Insurance Branch of the Audit Office and deals with rules of procedure for the accounting and audit of State Insurance Fund. Rules describing the procedure observed at treasuries will be found in Article 282-A and Chapter XIII of the Financial Code.

Amendments to this Code will in future be issued by the Accountant General provided no such amendment shall be inconsistent with any order or rule sanctioned by the Government and prescribes any considerable addition to or alteration in the work of other offices.

(Sd.) JAGAT PRASAD,

SILINAGAR :
The 16th March 1939. }

ACCOUNTANT-GENERAL.

INTRODUCTORY.

1. Rules regulating the general business of the State Insurance Fund are issued by His Highness' Government. The Accountant General as the Administrator of the Fund is also empowered to issue subsidiary instructions in connection with the business of the Fund. The rules issued by His Highness' Government have been embodied in a separate Pamphlet hereinafter referred to as "The State Insurance Rules". Rules prescribing the maintenance of accounts and submission of account returns to the Audit Offices will be found in Article 282-A and Chapter 13 Financial Code.

1-A. The functions of the Audit Office in connection with the business of the Fund consist not only in auditing and finally accounting for all receipts and payments of the Fund and in preparing statistical and financial returns thereto, but also in the following : —

- (i) Examining the eligibility of the life proposed.
- (ii) Fixing the premium payable
- (iii) Arranging for the recovery of the first and subsequent premia.
- (iv) Issuing the policy.
- (v) Renewing a policy that has lapsed under rule 40 and 41 of the State Insurance Rules.
- (vi) Working out and intimating the terms of all conversions and commutations and
- (vii) Working out the total amount due for payment on the surrender or maturity of a policy etc., etc.

Note.—All personal matters dealt with in the section should be treated as strictly confidential.

2. All premia, subscriptions, medical fees and fines realised are credited to the Fund and all claims arising out of policies, the cost of medical examination of the lives proposed and all expenses incidental to the working, administration, auditing, accounting, valuation and mortality investigations of the Fund are paid out of the Fund. The accounts of the Fund are incorporated in the Debt Section of the Government accounts and the balance at credit of the Fund is invested in approved securities from time to time to the extent not required for current purposes in connection with the Fund.

For administrative purposes, the Fund is divided into two branches, *viz.*, (1) Life Insurance, (2) Endowment Assurance.

DEFINITIONS AND EXPLANATIONS.

3. Besides the terms defined in the State Insurance Rules, the following additional terms as used in this Chapter are defined below :—

(a) Date of Entry is the date from which a policy comes into effect on being concluded and is the date of payment of the First premium.

(b) Office Age at Entry, as distinguished from the Actual Age at entry, is the age with reference to which the rate of premium payable has been fixed, *i. e.* the age next birthday following on.

Explanation.—If on the date of entry the actual age of a subscriber be 29 years 5 months and 29 days, then the office age at entry is "30".

(c) Attained Age is the age derived by adding to the office age at entry (next birthday) the number of years' premia paid. Attained age may include fractional duration.

(d) Valuation Year of Birth, in respect of any policy, means the year arrived at by deducting the age (next birthday) at entry of the insurant from the year on the 31st Assuj (Second of the two calendar years involved in the financial year) in which the policy is issued.

(e) Reserve Value of a Policy means the amount that should be debited or credited, as the case may be, to a branch of the Fund on account of the conversion of a policy from one class to another. This value is ascertained from the Actuary.

4. The duties of the audit sections in connection with the Fund consist (a) in checking the total of the Schedules with the treasury accounts and (b) in sending the schedules to the Insurance Section in support of the credit to the Fund.

SCRUTINY AND AUDIT OF PROPOSALS.

5. As soon as the proposal of any life is received, it should be indexed in a Register in Form L.I.6, the items being serially numbered for each official year. The eligibility of the life to the benefits of the Fund should first be examined with reference to rule 2 of the State Insurance Rules and the appointment held as given in the proposal. It should then be seen that the amount and terms of the proposed

Insurance are admissible under the rules. If all these are found to be in order, the rate of premium should be worked out in Form L.I. 4 with reference to the tables given in the Insurance Rules. The premium due on a policy should be calculated with reference to the "office age at entry" as defined in Article 3.

Note 1.—The tables for Insurance as given in the Insurance Rules are for Rs. 1,000. For multiples or sub-multiples of these amounts, the calculations are to be made by simple multiplication or division, any fraction of a pie being rounded off to 1 when the fraction is $\frac{1}{2}$ or more and neglected altogether when it is less than $\frac{1}{2}$.

6. Under rule 23 of the State Insurance Rules, the first premium is payable on or before the 60th day from the date of acceptance. In calculating the premium, the 60th day from the date of acceptance is taken tentatively as the date of entry, provided that if within this date and the date of acceptance the life enters upon the next age, the calculations are made for two ages, one for the lower age and the other for the next higher age.

Note 1.—When only the year of birth is known, the date is taken as 1st Katik while when only the month and year are known the date is taken as the 16th of the month.

Note 2.—If the 60th or the day preceding that on which the life enters upon the next age falls on a Sunday or a holiday under the Negotiable Instruments Act, the premium or the premiums at the lower rate as the case may be, should be paid on the date preceding such Sunday or holiday.

Note 3.—In the case of further insurance the date given in the original acceptance is adhered to unless the date of birth has subsequently been altered and the alteration has been accepted by the Accountant General.

Note 4.—A premium is treated as "Paid" on the date on which it has been actually tendered at the Treasury and is considered as the premium for that month.

Note 5.—It will not be desirable to effect any change in a policy consequent on any alteration of the date of birth, unless the alteration involves, any additional risk on the Fund in which case the higher rate of premium may be charged and the difference recovered from the beginning of the policy with interest at 8 per cent. per annum.

7. After the calculations have been worked out, the intimation of the first premium as well as the last date by which it has to be paid is written out in form L.I. 7 in triplicate one copy being for the proposer, the second for the receiving Treasury Officer, as named in the intimation of acceptance, and the third for the Head of Office concerned. With the Treasury Officer's copy a loose sheet of Form No. L.I. 8 should be enclosed with the request that it may be returned duly filled in on the very day on which the premium is credited along with the case. The calculation in Form L.I. 4 after they have been carefully checked by the Superintendent should be placed before the Gazetted officer for signature. After they have been passed by the Gazetted officer, the last due date for the payment of the first premium, the rate and the date of despatch of the intimations should be noted against the items concerned in the Register in Form L.I. 6 and the intimation should be despatched "Registered" except the copies for the Treasury Officer and the Head of Office concerned which are despatched as ordinary official letters.

Note 1.—When two rates are intimated, the two dates, and the two rates are noted in the Register under "last date" and "amount of premium" the earlier date and the lower rate being entered in red ink.

Note 2.—When it is apprehended that an intimation cannot reach the party and the Treasury Officer concerned by post in time, telegraphic notices may be sent which are confirmed by the despatch of these formal intimations. Telegrams must not be sent unnecessarily.

8. When intimation of credit of the first premium is received from the Treasury Officer, the date of payment should be noted against the relevant item in the Register in Form L.I. 6. This Register should be reviewed fortnightly by the Superintendent and monthly on the 10th of each month by the Gazetted officer who should see whether the intimations of acceptance are being promptly disposed of by the Section and whether there is any case in which information as to credit of first premium has not been received within a week from the last date noted. In the latter case an enquiry should be made of the receiving Treasury Officer as well as of the person whose life has been accepted, in Form No. L.I. 23 the latter being warned that by the non-payment he had rendered himself liable to pay a sum of Rs. 4 or Rs. 2 as the case may be for his medical examination. A copy of this intimation is sent to the Head of Office concerned for his information. When the actual fact of non-payment is established, the immediate superior concerned should be asked in Form L.I. 24 to effect recovery and necessary notes about the amount to be recovered should be made in sufficient detail in Registers in Forms Nos. L.I. 25 and L.I. 26. Recoveries when effected, should be entered in the same registers.

Irrecoverable amounts may be written-off by the Accountant General on his being satisfied that recovery cannot be effected.

Note 1.—If it happens that the first premium could not be paid owing to circumstances beyond the control of the life accepted, and that there has been no intention of not insuring on the Fund, then subject to the continued good health of the life, the limit of 60 days may be extended by the Accountant General for a reasonable period not exceeding 90 days. If however, it comes to his knowledge that the health has been impaired in the meantime, the Accountant General should decide whether a second medical examination is to be insisted on before the time limit is extended.

Note 2.—If a life accepted becomes ineligible for admission into the benefits of the Fund at the time of paying the first premium, and if the first premium has not been accepted by the Treasury Officer, the fee for medical examination, if granted, are not recovered.

ISSUE OF POLICIES.

9. On receipt of the information from the receiving Treasury Officer as to the payment of the first premium and after the date of payment has been noted in the Register in Form No. L.I. 6 (see Article 8) the policy should be drawn up in the proper form as laid down in Articles 10 to 12.

Note.—When the intimation of credit of first premium is received not from the receiving Treasury Officer, but from the proposer concerned, no policy should be issued until and unless the credit has been traced in the accounts (Schedules received). To avoid delay, the receiving Treasury Officer may be asked to corroborate the statement of the person concerned in Form No. L.I. 27.

10. The following are the different forms in use for the issue of policies :—

- (1) L. I. A. for whole Life Insurance.
- (2) L. I. B for Endowment Assurance.
- (3) L. I. C. for limited payment Life Insurance.

11. A register of policies issued (Form L.I. 9) should be maintained and all policies should be entered in the register in consecutive

order. After the Policy, Premium Receipt Book and other connected documents have been written out and checked and the policy has been entered in the Register of Policies issued, they are placed before the Superintendent for examination. The Policy, the covering printed letters and the Policy Issue Register should be submitted to the Gazetted officer for signature and attestation. The Premium Receipt Book will be signed by the Superintendent.

Note.—Each policy is given the date of entry as defined in Article 3.

12. After the documents have been passed and signed by the Superintendent and the Gazetted officer the policy with the accompanying documents is despatched to the immediate superior under "Registered Cover" for delivery under proper acknowledgment to the party concerned who is informed through a letter in Form L. I.10 of the issue of the Policy. When the acknowledgment Form L. I.10 is received back, it is filled in the case opened with the proposal.

ISSUE OF DUPLICATE POLICY AND PREMIUM RECEIPT BOOK.

13. When the issue of a duplicate policy is authorised by the Accountant General the duplicate is written out (marked conspicuously as "Duplicate") from the Policy Register on the proper form and is issued over the signature of the Gazetted officer, after it has been checked by the Superintendent. Along with this a new Receipt Book when specially asked for is also prepared and issued over the signature of the Superintendent. A note is also made against the entry concerned in the Policy Register and initialled by the Gazetted officer as to the fact of the issue of a duplicate. The policy along with the Receipt Book is delivered to the party concerned through the Head of Office on proper acknowledgment.

Note.—When a policy has been damaged and returned to the Audit Office, a fresh policy may be issued marked "Duplicate" by the Accountant General.

14. When a premium receipt book has been lost, a duplicate is issued on application by the assured and delivered to him (under Form L.I. 28) through the Head of Office, on payment of a fee of annas 8. The party concerned is informed of the issue of a duplicate book. Books are issued free of cost only with the original policy, or in continuation of the original book when it is exhausted or when the loss has been explained to the satisfaction of the Accountant General to have been due to circumstances beyond the control of the party concerned. In such cases they are sent under Form No. L.I. 29.

Whenever a new book is issued, a certificate is always given on the first page showing up to what month the premium has been traced in the accounts.

Note.—The fee of eight annas in respect of the duplicate receipt book should be credited to the Fund.

REALISATION AND AUDIT OF PREMIUMS.

15. Rule 28 of the State Insurance Rules lays down the manner in which the first and subsequent premiums are generally realised. In special cases the Accountant General arranges for payment of premia in cash by the insurants at Treasuries, selected by them.

16. The main object of audit is to see that in respect of every "active" policy which has not been cancelled, surrendered, forfeited or discharged or made paid-up, the monthly premium has been realised duly and correctly and has been noted properly so that omissions and short payments may be readily detected and that all irregularities discovered are notified to the parties concerned, promptly, so as to give them a chance of rectifying them, and thus protecting the policies from lapse and forfeiture. For this purpose the premium paid in respect of each insurant or purchaser are noted in ledger cards (Form No. L.I. 12).

17. One card is opened for each active policy with the following particulars noted at the top:—

- (i) the number and date of the policy,
- (ii) the name of the assured,
- (iii) the class of Policy,
- (iv) the amount of premium payable monthly and
- (v) the last month up to which the premium is payable.

For purpose of posting, each card is provided with vertical columns for the month, item number of the schedule, amount of premium and remarks. The cards are of uniform size and ruling and each card is designed to record the premiums for two years. They are kept arranged in cabinets according to the entries in the schedule in which the credit for the premium on that policy appears. As new policies are issued, the auditor concerned will open new cards for them. At the end of two years when the cards have to be renewed, new cards are opened only for the policies that are in force on the date they are copied.

Note 1.—When an assignment or re-assignment is registered, the particulars of such assignments or re-assignments are noted in the relevant ledger card (or if the policy is paid up, in the Paid-up Register against the entries relating to the policy). These notes should indicate the party (insurant or assignee) by whom the further premium on the policy is payable and should be attested by the Superintendent.

Note 2.—When any policy has matured, has been surrendered, cancelled, forfeited or made paid-up the fact is noted in the remarks column of the card and the card filed with the case concerned.

Note 3.—When there has been any change in the rate of premium, payable or in its term on the conversion or commutation of a policy the alteration is noted in red ink below the original entry, with a note as to the month from which the alteration takes effect, and a similar note is made under the month concerned as well.

Note 4.—All entries in the cards on the strength of which audit is conducted are initialled by the Superintendent. In the case of recopied cards it is sufficient if they are attested by the copyists and the checkers. The Superintendent will review them as they come for percentage review of postings.

18. As soon as the schedules are received in the office (*vide* Article 4) the items in each schedule are numbered serially, the number being noted in red ink against the name of the insurant. If any policy number or any other particulars are found wanting or incorrect, the auditor will supply the omissions and make necessary corrections with reference to the previous month's schedule. He should arrange the cards according to the entries in the schedule.

19. In posting the cards the auditor will enter the item number in the first column against the month concerned and the amount of premium in the money column of the card. Before posting he should take particular care to see that the policy number and the premium amount noted at the top of the card agree with the number and the amount of the item to be posted. If in any case any cards are not found, the auditor will post the item in Form No. L.I. 16 which should be kept stitched to the schedule. The auditor who posts the cards will fill up the entries in Form No. L.I. 16 and sign it with his full name.

Note 1.—As a rule there should be no unposted item. The exceptional cases in which such items may occur are due to the inclusion in the schedule of insurances, newly transferred names whose policy numbers are either wanting or incorrectly quoted.

Note 2.—When any item in the schedule is composed of several items, for instance, when an insurant has more than one policy active, the number of component items is noted in brackets against the general number, thus 15 (6) when an item number 15 is composed of 6 policies and the component items are posted under the general number and the special number, thus 15 (1), 15 (2), 15 (3) and so on.

Note 3.—Premiums are not as a rule received in advance for several months together except when an officer proceeding on leave intends to pay them in advance by previous arrangement with the Accountant General. The amount in such cases is posted under the month of realisation and necessary note is made under the columns for the months concerned.

Note 4.—For cash realisation *vide* Note 4 to Article 6.

Note 5.—Any medical fee or fine realised and shown in the schedule is posted below the premium with suitable remarks.

20. The posted cards including the Form No. L.I. 16, in which the unadjusted items are posted and the schedule relating to them will be subject to detailed check and audit by the auditor. During this check, the auditor should see that (i) the particulars of each item have been correctly posted in the proper card, (ii) the premium due on the policy have been correctly and fully paid by the due date and (iii) all items in a schedule have been posted. In regard to the items posted in Form L.I. 16, he should take such steps as may be necessary to trace the cards in respect of the items. If any further information is required in respect of them, he should immediately call for them from the Drawing Officer concerned. His responsibility ceases only when the item is removed from the unadjusted list and posted in the proper card under his dated initials.

Note.—The audited schedules should also be reviewed monthly by the Superintendent. The review should be so arranged that all the Schedules are test reviewed at least once a year to the extent of 10 per cent. A broadsheet should be maintained with a view to seeing that all the offices come under review during the year.

21. On completion of audit, the auditor should take up the cards under his audit, which have been left unposted for want of credits in the schedule and should issue notices. Below is given a list of the common irregularities, with instructions as to how they are noticed and set right:—

(i) Credit not traced, in which case reference is made to the life assured in Form L.I. 30 or 31 and to the Head of Office in Form L.I. 32.

(ii) Double credits traced, one in the cash list and the other in the schedule of deductions, in which case a reference is made to the party concerned; and when the double credit has been established by reference to the cash account the Head of Office is requested not to make any deduction from the pay or allowances of the subsequent month in Form L.I. 33, a copy of the intimation being sent to the party as well.

(iii) Excess credit, in which case the Head of Office is asked to make a corresponding short deduction from subsequent month's pay or allowances in Form L.I. 34, but if a set off is not possible, a refund order is issued after verifying that there has been no short credit in any previous month, in Form L.I. 35.

(iv) Short credit of premium, in which case notice is issued in Form L.I. 34 *mutatis mutandis*.

(v) Late credit, in which case a notice is issued in Form No. L.I. 36.

(vi) Payment at a Sub-Treasury credited in the Head Treasury account after the due date, in which case reference is first made to the receiving Treasury Officer in Form L.I. 37.

(vii) Credit traced after the payment of premium has ceased, which is noticed in the same way as an excess credit. This is refunded in Form L.I. 35 issued over the signature of the Gazetted officer, when the excess credit has been established from the accounts.

(viii) Credit traced in excess in the account of a deceased insurant in which case refund is arranged for to the legal heirs of the deceased. The amount should be noted in the card and also in the Refund Register (*vide* Article 29) the latter being initialled by the Gazetted officer.

Note 1.—In noticing non-credit, late credit and short credit (except when the short credit is for a comparatively

trifling amount) the parties concerned, are also informed that their policies have lapsed if there has been actually non-credit, late credit or short credit.

In the case of an assigned State Insurance Policy when it is in danger of lapsing an intimation will be sent by the Accountant General, to the Head of the Office and on receipt of this intimation the Head of the Office concerned should issue a notice to all persons interested in the policy including the assignee.

REVIEW OF LEDGER CARDS.

22-A. At the end of every two years when all the postings in a set of ledger cards have been completed, the reviewers will take up the review of these cards.

The main object in having the postings of premia in the ledger cards reviewed by a set of senior auditors is to see that a policy is continuously active and that all defects and irregularities which may adversely affect the admissibility of final payments are duly settled. The duties of reviewers are the following:—

(1) To periodically check the current ledger cards with the active policy register with a view to see that there is a card for every active policy and that absence, if any, is satisfactory explained.

(2) To see that the old ledger cards are arranged serially according to Departments and that the particulars at the top of the cards are legibly written up. In the case of assignments they should see that proper notes regarding the person who is to pay the premium have been made in the card.

(3) To see that the premium due on policies have been correctly and fully paid each month by the due date, that lapses due to non-payments and late payments and other irregularities which might have escaped the notice of the auditors at the time of audit are promptly noticed with a view to regularising the defects.

(4) In cases where interest at 8 per cent. is levied as a penalty, to verify the correctness of the amount recovered by independent calculation.

(5) In the case of conversions, commutations etc. to see that the requirements of Notes 3 and 4 to Article 17 are complied with and that short or excess realisations arising out of such changes are subsequently adjusted.

(6) To enter in the cards the results of review under dated initials of the reviewers and to maintain a register for noting all irregularities detected in the course of applying the above checks and to notice irregularities detected including excess or short realisations of Re. 1 and above.

(7) To maintain a daily progress report showing:—

- (a) the particulars of the department the cards of which are under review, and
- (b) the number of cards reviewed daily.

LAPSES AND FORFEITURE

23. The circumstances under which a policy may become void or be forfeited and the terms on which they can be renewed are laid down in Rules 40 and 41 of the State Insurance Rules. When the provisions of Rule 40 or 41 for the renewal of lapsed policies are complied with, then in the case of lapse under Rule 40 the Accountant General communicates his orders to the party concerned regarding the renewal or otherwise of the policy while in the case of lapse under Rule 41 a formal renewal notice is issued to the party concerned in Form L.I. 38 by the Accountant General.

Note 1.—The benefit of 7 days referred to in Note 3 to Rule 28 of the State Insurance Rules, should be allowed in consultation with the Audit Section concerned.

Note 2.—As the Treasury Officer may not always be in a position to satisfy himself about the 7 days limit he may accept the premium with the fine which is refundable if the benefit of 7 days is allowed.

24. When a policy has been forfeited to Government under the operation of Rule 40 or 41 of the State Insurance Rules, the life assured is informed in Form L.I. 39 and also asked to return the policy if it be of less than three years' standing. A copy of the intimation is also sent to the Head of the Office concerned for his information, with the request that he should not make any further deduction of premium. At the same time, the fact of forfeiture is noted against the entry concerned in the Policy Register in the Ledger Card concerned, and in a special Register in Form L.I. 40 all under the initials of the Gazetted officer.

Note 1.—In fixing "the first day of the month for which the premium is due" which is made the basis for calculating the periods at the end of which a

policy is forfeited to Government under Rule 40 or 41, the following rule should be observed. "All payments made should be attributed to the demands due, in the order of these demands. Thus if the premium due on a policy in a month is not paid within the month, the premium paid next to the default should be taken as the premium paid for the month of default, *e. g.* if the premium payable in Assuj on a policy is not paid by the 21st of Assuj but the premia payable in Katik and subsequent months are regularly paid by the due dates, the premium paid in Katik should be taken as that payable in Assuj and so on".

Note 2.—So long as a short credit (except for a comparatively trifling amount) has not been made good by excess credit from any subsequent instalment or by payment in cash, the deficiency should be taken as adjusted from the subsequent instalment and the case is to be treated as one of late payment of premium.

Note 3.—As soon as a policy of more than three years' duration is forfeited, a definite offer of the surrender value or of a paid-up policy should be made to the policy holder. This would give an opportunity to the policy-holder if he then be in good health to revive his policy on production of a medical certificate and would also clear the books of the Fund of outstanding liabilities.

25. When a policy has been forfeited under Rule 40, and if the policy is of less than one year's standing, the assured himself is liable to pay the sum of Rs 4 or Rs. 2 as the case may be for his medical examination; when a policy has been forfeited under Rule 41, the assured can get the surrender value of his policy, subject to the condition that the surrender value is to be calculated up to the month of forfeiture, and from the value so calculated is to be deducted 12 months' premium with the interest thereon at 8 per cent.

Note.—The Accountant General, exercises the power to waive recovery in exceptional cases of the amount of medical fee due under the Note below Rule 14 of the State Insurance Rules, from a proposer or an insurant, and to write off the amounts of such medical fees.

CANCELLATION OF POLICIES.

26. At any time a policy can be cancelled at the option of the holder subject to the condition that if the policy is of less than one

year's standing, the life assured renders himself liable to refund the fee of Rs. 4 or Rs. 2, as the case may be, incurred for his medical examination. The fact of cancellation is noted in the Policy Register and in the Ledger Card concerned as well as in the special register in Form L.I. 40 under the initials of the Gazetted officer and the fact is intimated in Form L.I. 39 to the Head of Office who is asked to discontinue deduction of premiums.

AUDIT OF FINES AND RECOVERY OF MEDICAL FEES.

27. All recoveries of medical examination fees are noted in a special register in Form L.I. 18. After the credits have been traced, they are posted in this register against the items concerned in addition to the entries made in the card (*vide* Note 5 to Article 19). This register is submitted to the Gazetted officer for review on the 25th of each month. All recoveries of fines imposed are watched through the entries in the cards and the cases concerned.

PAID-UP POLICIES.

28. The particulars of all limited payment policies the premium on which have been completed and all policies which have been made paid-up by payment of all future payments in lump, would be entered in a separate register in Form No. L.I. 41 called "The Paid-up Policy Register" each entry therein being attested by the Superintendent. Necessary note should be kept in the file and the card concerned the card being filed with the case. This register should be submitted to the Gazetted officer with suitable remarks whenever claims arise in respect of the policies noted in this register.

REFUNDS AND AUDIT OF REFUNDS.

29. When any excess credit of premium cannot be set off against any future instalment, the amount is refunded in cash under the orders of the Gazetted officer and communicated in Form L.I. 35, a copy of the order being sent to the Treasury Officer selected. The amount is noted in the card concerned as well as in a Refund Register in Form L.I. 35-A, the latter under the initial of the Gazetted officer. When the amount has been refunded, it is charged in the schedule of payment which is sent to the Accountant General monthly and is supported by the payee's acquittance on the reverse of the Refund Order and the refund advice to the Treasury Officer. Audit is conducted with reference to the entry in the Refund Register in which the date of payment is noted against the item concerned.

Note.—See Note below clause (v) Article 282-A Financial Code.

DISCONTINUANCE OR REDUCTION OF PREMIUMS AND COMMUTATIONS, CONVERSIONS OF POLICIES AND SURRENDER OF POLICIES.

30. Under the State Insurance Rules, the life assured is allowed to discontinue payment of his monthly premium, reduce the premium to any desired extent, surrender his policy or commute or convert his policy. The following general principles should be observed in dealing with such cases :—

(i) When premiums are discontinued in respect of policies of less than a year's standing, the insurant renders himself liable to pay the medical examination fee.

(ii) When premiums are discontinued in respect of policies of not less than one year's standing, but of less than three years' standing nothing is paid to or recovered from him.

(iii) When premiums are discontinued after a period of not less than three years, a reduced paid-up policy may be issued if desired, provided that the amount of such a policy is not less than Rs. 100.

(iv) If the policy is of not less than three years' standing surrender value is granted which may be paid to the insurant at any time after the date of default or forfeiture.

(v) The maturity of a policy can be altered only after an integral number of years' premiums have been paid, and subject to the production of a medical certificate, at the expense of the assured as to his average prospect of life, when the maturity is postponed beyond the original age, or when the proposed conversion entails greater risk on the Fund.

(vi) Conversion or commutation of a policy into an Endowment Assurance one, payable at the ages of 45, 50 and 55 only is admissible.

Note 1.—The terms of all conversions, commutations and surrender values of policies may be ascertained from the Accountant General.

Note 2.—The method of calculation is given in Appendix A and is not intended for publication.

31. The formal application for surrender value accompanied by the policy, and the premium receipt book and bonus certificates, if any, is made to the Accountant General. The calculations of surrender value are made in Form No. L.1. 42 as on the date of application and

necessary intimation after sanction is sent to the Head of Office under Rule 36 of the State Insurance Rules in Form No. L. I. 43.

Note 1.—All applications for surrender values are entered in a Register in Form L. I. 44. The issue of the sanction is noted in the proper columns of the Register. A note is also made in the Card concerned. The Register or Cards will be submitted to the Gazetted officer who will initial the entries in the Registers or Cards and pass record order on the sanction. The Register of application for surrender value (Form No. L. I. 44) will be closed and submitted to the Superintendent weekly and to the Gazetted officer for review on the 10th of the following month with an analysis of outstandings and reasons for delay in disposal.

Note 2.—In the case of an insurant who applies for the surrender value of the policy, but dies before taking payment thereof, the full value of the policy may be paid to the legal heir, or the assignee as the policy should be regarded as active so long as the payment of the surrender value has not been effected.

32. In the case of commutations or conversions of policies, a declaration in Form No. L. I. 45 is sent to the Accountant General duly signed, along with the original policy and the premium receipt book. On receipt of the declaration the calculations are revised as on the date of declaration and the orders of the Gazetted officer are taken on Form No. L. I. 46 for the issue of the new policy.

33. The new policy is issued under the original number on a fresh form. The policy is dated with the date of effect of the alteration, the original date of entry being noted in red ink below this date. The "Attained age" with reference to which the calculations have been made is entered under "Age of entry" and the entries in the Policy Register under the item concerned are altered accordingly under the initials of the Gazetted officer with a note of the date of effect in the remarks column. To work out the financial effect of the alteration on the accumulated figures, it is also entered under the initials of the Gazetted officer in a Register in Form No. L. I. 47. The original policy is cancelled with the remarks, "Cancelled by commutation and conversion and filed with the declaration in the case" and the entry in the card is also corrected. The new policy along with a fresh premium receipt book, when premiums are still payable, is issued over the signature of the Gazetted officer. The policy is despatched in the manner prescribed in Article 12. The usual

intimation to the Head of Office is also prepared and despatched at the same time.

34. The sanction to the payment of the surrender value is entered in the Surrender Value Register in Form No. L. I. 44 under the initials of the Gazetted officer. When the surrender value has been paid, necessary note is made in the Policy Register as well as in the Surrender Value Register, all under the initials of the Gazetted officer. To facilitate the identification of items, the serial numbers thereof as given in the Policy Register are cited in the Surrender Value Register. Entry in the two sets of Registers is made only when the payment has been taken as the policy holder has the full discretion of changing his mind to revive his policy meanwhile, on payment of arrear premiums with fines due.

MATURITY OF POLICIES.

35. When a policy matures either by death or on the attainment of the specified age, an application for payment is made to the Accountant General with the policy, bonus certificates, if any, and premium receipt book. On receipt of the application which is to be recorded in the Death/Completion Register (Form No. L.I. 44) the Ledger cards are consulted to see if any premium is due and if there is any lapse under Rule 40 of the State Insurance Rules not revived. In the latter case no claim is entertained. If there has been no such lapse but the premium has not been paid, the amount is noted as recoverable from the value of the policy. The calculations will be worked out in Form No. L.I. 48 and after they have been checked by the Superintendent the form should be placed before the Gazetted officer for signature. Payment will be authorised on the Treasury concerned in Form No. L.I. 52. Necessary entries are made in the card but not in the Policy Register until and unless the payment has been taken. The Death/Completion Register (Form No. L.I. 44) will be closed and submitted to the Superintendent weekly and to the Gazetted officer for review on the 10th of the following month with an analysis of outstandings and reasons for delay in disposal.

Note 1.—When application is made for payment of the value of a policy without the production of the policy, the order for payment is issued only after obtaining an Indemnity Bond duly executed.

Note 2.—If the records show that the policy has been assigned to any person, payment should be made to the party legally entitled to it.

Note 3.—In stating the value of the policy, the bonus additions should be taken into account.

Note 4.—If no intimation of the death of an insurant has been received from the Head of Office but intimation has been received direct from a claimant of the value of a policy, the Head of Office should be addressed before authorising final payment.

Note 5.—A policy holds good even in the event of the assured losing his life on Field service.

Note 6.—Rules 40 or 41 of the State Insurance Rules do not operate when death happens on or before the 21st of month with the premium left unpaid.

Note 7.—When an insurant dies on the first day of any month, the premium for that month is not recovered and if it has already been recovered it is refunded to the legal heirs of the deceased along with the value of the policy.

Note 8.—Short recoveries or excess credit of premia on account of elimination of pies amounting to less than a rupee may be neglected in the case of final payments but if there is any amount due to the party owing to the premia having been recovered in excess beyond the stipulated period or due from the party owing to the premia not having been recovered up to the stipulated period, the short recoveries or excess credits should be adjusted when the final payment is made.

AUDIT OF PAYMENTS.

36. The payment in respect of policies by a Treasury are accounted for each month in two schedules, one for the period from 1st to 10th and the other for the rest of the month. The schedules along with the vouchers duly receipted and complete in proper form are forwarded each month to the Accountant General by the Treasuries concerned. The payment is audited with reference to the sanction recorded on the policies concerned, and entered in the Register of Policies discharged/surrendered, in Form L.I. 49 as well as in the Policy Register (Form L.I. 9) against the items concerned under the initials of the Gazetted officer. The attestation of the paid vouchers by the Gazetted officer will be completed by the end of the second month following and the payment register will be closed and submitted to the Gazetted officer for review on the 15th of the 3rd month, following the month of account. In the case of refunds, the payments are audited with reference to the refund orders, and are noted against the items concerned in the Register of Refunds, *vide* Article 29. In the case of

medical fees paid, they are audited with reference to the sanctions of the Accountant General received with the paid vouchers and the total amount paid is posted directly into the Broadsheet of charges (Form No. L.I. 22).

Note 1.—All payments must be supported by vouchers duly signed and stamped, if necessary. These vouchers should be carefully checked according to the instructions contained in Article 47 of the Audit Code, Volum I.

Note. 2.—When any deduction on account of arrear premium due or fine unrealised is made from the value certified under Article 35, the gross amount is charged in the payment register with per contra credit to premium or fine, as the case may be.

ACCOUNT RECONCILIATION.

RECEIPTS.

37. (a) As soon as all the items in a schedule are posted, the totals of the amounts posted in the cards should agree with the total of the schedule. If, for any special reason, any item could not be posted for want of the proper card, it is posted in a separate list of "unadjusted items". The total of the schedule, the totals of the amounts posted, and the total amount of unposted items, if any, will be copied by the auditor in the monthly reconciliation statement of the State Life Insurance Receipts (Form No. L.I. 16) and the details of the unposted items will be shown on the reverse of the form. The entries made on both sides of the form should be attested by the auditor under his dated initials.

(b) The monthly reconciliation statement should be stitched to the schedule to which it relates. The auditor concerned must copy all the items which have not been posted in a separate part (Part I) of the Register in Form No. L.I. 50 and take prompt action for settling the items noting the number and date of reference in the remarks column of the Register. The items which remain unsettled for over six months should be transferred to Part II of the Register with the remarks "For previous correspondence see item.....of Part I". Further correspondence should be pursued and noted in Part II.

When an item is settled, the auditor should post and attest the posting in the card and strike out the entry in the relevant part of the Register under his dated initials duly noting against that entry the number of the policy and the month in which it is posted.

The Register of items remaining unposted (Form No. L.I. 50) should be reviewed by the Superintendent and submitted to the Gazetted officer for review on the 15th of each month.

(c) The auditor should classify the figures under the heads (1) Life Insurance, During Life and Fixed, (II) Endowment Assurance, (III) Medical Fees and (IV) Fines. The total of the amounts under the various heads must agree with the total of the schedule.

(d) The schedule, with the monthly reconciliation statement, should then be made over to the accounts group for purposes of posting the registers maintained in that group and effecting the agreement with the credits intimated by the Book Section. At the end of the year, the totals of all the schedules should be compiled and verified with the figures of the General Book and suitable explanation should be given of all items remaining unposted at the end of the year and the explanation sheet should be attached to the annual reconciliation statement for the information of the Gazetted officer.

38. The difference between the consolidated total of premiums as arrived at in the Broadsheet of premiums realised (Form L.I. 19) and the total in the detail books is explained in Form L I. 21.

The Broadsheet is submitted to the Gazetted officer on the last day of the 3rd month following the month of account.

PAYMENTS.

39. As regards payments, the totals of the several registers mentioned in Article 36 are similarly consolidated and reconciled with the detail book figures through Form L.I. 22. The Broadsheet of charges is submitted to the Gazetted officer on the last day of the 3rd month following the month of account. At the end of the year the totals of all the schedules should be compiled and verified with the figures of the General Book. The several account heads are as under:—

- (i) Medical fees paid, (ii) Refunds of medical fees, (iii) Life Insurance Policies paid, (iv) Surrender value of Life Insurance Policies, (v) Life Insurance premia refunded, (vi) Endowment Assurance Policies paid, (vii) Surrender value of Endowment Assurance Policies, (viii) Endowment Assurance premia refunded.

MAINTENANCE OF INSURANCE FUND RESERVE AND INVESTMENT REGISTER AND ANNUAL ADJUSTMENTS.

40. The balance at the credit of the Fund should be worked out monthly in Form No. L.I. 51 and orders of the Accountant General should be taken as to what amount should be invested in approved securities. The interest accruing on them should be credited to the Fund as it is realised.

41. When the Register Form No. L.I. 51 is posted for a month the totals of receipts and payments are agreed with corresponding figures in the Broadsheets (Forms No. 22 and No. A. L.I. 21 and L.I. 22) and the register is submitted to the Gazetted officer on the last day of the 2nd month following the month of account.

Note 1.—The interest is credited to the three branches of the Fund separately.

Note 2.—Medical fees paid are distributed between Life Insurance and Endowment Assurance in the proportion which the total number of policies issued under Life Insurance bears to the total number under Endowment Assurance in the year.

42. The cost of working and administration of the Fund and the cost of accounting and auditing should also be worked out and adjusted in the manner described in Article 61.

PREPARATION OF STATISTICAL AND FINANCIAL RETURNS.

43. To enable the Accountant General to include in the annual Financial Report information about the operations of the State Insurance Fund the following statistical and financial returns are prepared on or before the 31st Phagán each year with comments on the general position of the Fund.

Statement A Showing the operation of the scheme of Life Insurance and Endowment Assurance during the year under review as compared with the previous year.
(Form L. I. 53).

Statement B Abstract of Life Insurance and Endowment Assurance Policies issued, discharged, lapsed and surrendered during the year.
(Form L. I. 20).

Statement C. I Financial result of the Life Insurance Section.
(Form L. I. 54).

Statement C. II Financial result of the Endowment Assurance Section.

Statement D ... Showing the outstanding liabilities of the Fund on the policies which have become claims but have not been paid during the financial year.

44. Statement A is prepared from the Policy Register Broad-sheet of Premia realised, and Broadsheet of charges and shows the following details :—

(a) Number of lives assured.

(b) Amount insured.

(c) Amount received as premia including fines and Medical fees.

(d) Amount of claims met separately under Life Insurance (whole life) and Life Insurance (Limited period) and also under Endowment Assurance heads; a grand total is given at the end. The cost of establishment and stationery is also shown here.

The total under each sub-head is compared with the totals of the previous year's statement and the difference is shown under increase or decrease as the case may be.

45. Statement B is compiled from the Issue Register and also from the Lapse, Surrender and Payment Register.

It shows the following details :—

Balance of the previous year.

Issue during the year.

Discharge during the year $\frac{\text{by death.}}{\text{by maturity.}}$

Balance at the close of the year.

The number and amount under Life Insurance and Endowment Assurance are shown separately. The number and amount of lapse, cancellation, surrender and payment of policies are also shown separately. The amount of bonus paid is also shown separately under payment of policies.

46. Statement C. I (Life Insurance) is prepared from the Broadsheet of Premia realised, Broadsheet of Charges and Reserve and Investment Registers, and shows the following details:—

RECEIPTS.

Balance on 1st Katik.

Premia realised during the year.

Fines realised during the year.

Medical fees realised during the year.

TOTAL RECEIPTS.

PAYMENTS.

Life Insurance Policies paid.

Surrender value paid.

Medical fees paid.

Refund.

Refund of Medical fees.

Establishment including printing etc.

TOTAL PAYMENTS.

Interest on Securities.

Balance on 31st Assuj.

Deduct
Add Reserve value of converted policies.

Statement C. II (Endowment Assurance) is prepared in the same way as C. I.

47. Statement D is compiled from the several registers of policies paid, surrendered, lapsed and cancelled.

48. Deleted.

ACTUARIAL VALUATION OF THE FUND.

49. To enable the Government Actuary to conduct the periodical valuation and mortality investigation of the Fund the following statements for each quinquennium are prepared and furnished

to him after the close of the accounts for each year of the quinquennium :—

- (a) Summary of policies showing the variations and the number and sum assured exposed to risk at each attained age in the year ending 31st Assuj.
- (b) Consolidated statement showing the number and sum assured exposed to risk at each attained age on the 31st Assuj and the number and sum assured of policies under claims by death, extracted from Statement No. A.
- (c) Copies of annual statements C-I and C-II.

To avoid delay at the end of the quinquennium it is essential that the statements for each year should be prepared as soon as possible after the close of the accounts for the year.

Note.—The following two additional statements are required for the Actuary at the end of the quinquennium :—

- (1) Particulars of policies which became claims either by death or survivance since the establishment of the Fund down to 31st Assuj ending the quinquennium but which will remain unpaid on that date.
- (2) Particulars of policies forfeited, under 41 of the State Insurance Rules, since the establishment of the Fund, the surrender values of which have not been claimed and paid during the period.

50. The statement referred to in clause (a) of Article 49 shows the number of policies at the beginning of the year, the additions and deductions during the year, and the number of policies which became claims by death. There is a special column "Policies exposed to risk" showing the number and sum assured, each of the sub-columns "number" and "sum assured" being filled up by adding half the number and sum of assured policies issued, to the balance of the previous year and deducting therefrom half the number and sum assured of policies discharged except by death. The statement required to be sent to the Actuary is prepared from the particulars of the Primary and Secondary Statements. The various processes leading up to the final statements are given in Articles 51 to 57.

51. Valuation cards in Form No. L.I. 14 one for each policy, bearing relevant important particulars are prepared by the

issue group while issuing policies. They are collected together for each official year in the valuation group.

52. These cards are first sorted according to the serial numbers of the policies and any missing card should at once be supplied by the valuation group. These are again arranged according to the different maturing ages, *viz.* Endowment Assurance 45 to 55, Whole Life, Whole Life Limited Payments 50 and 55.

53. The cards so arranged are then resorted according to the valuation years of birth and entered in that order in the primary statements of policies issued, in which the following particulars are given :—

(a) The number of the policy.

(b) The monthly premium.

(c) Amount of sum assured.

The totals of amounts under heads (b) and (c) are then struck.

54. To prepare the Primary Statements of policies discharged, the valuation cards relating to policies that have matured, been surrendered, cancelled or forfeited, are picked out from the sorted bundles of previous years. The necessary entries in respect of date and mode of exit,.....(V. Y. O. B.) and quinquennial bonuses of each of the policies are then noted, in the valuation cards. The Primary Statement of policies discharged showing the particulars of discharge, *viz.*, by death, maturity, surrender, conversion or lapse to Government, is then prepared with the help of sorted cards.

55. From the total of the Primary Statements of the policies issued, are prepared the Secondary Statements of active policies called "Addition Statements" in which are recorded in total numbers the particulars of policies issued during the year, the policies affected by conversion and also the policies which have been revived during the year.

56 The Secondary Statements of discharged policies called "the Deduction Statements" are similarly prepared from the totals of the Primary Statements of discharged policies under different heads *viz.*, maturity, surrender, forfeiture, conversion, etc.

57. The particulars of policies in force at the beginning of the year, the additions and deductions during the year as per Addition and Deduction Statements and the policies which became claims by death and the balances thus arrived at the end of the

year, are then entered in the final statements. The column "policies exposed to risk" is then filled up from the entries in the previous columns.

58. On receipt of the report of the Actuary regarding the valuation of the Fund at the end of the quinquennium, the Government will issue orders sanctioning the rate of bonus and interim bonus, if any, for each branch of the Fund. As soon as orders of Government are received the bonus due on each policy is calculated and intimated under the signature of the Gazetted officer to the party concerned under a printed letter Form L.I. 58 on receipt of a requisition from him. The Sheet on which the calculations are made with the initials of the auditor and the Superintendent who checked the calculations will be filed in the personal case of the insurant.

PREPARATION OF FINANCIAL AND STATISTICAL STATEMENTS FOR THE ACTUARY TO THE GOVERNMENT.

59. The following Financial and Statistical Statements are required for the Actuary :—

- (1) Revenue Account of the State Insurance Fund.
- (2) Statement showing the number of policies issued, sum assured and the total amount of premia realised and also the number, amount and bonus of policies remaining in force on 31st Assuj of each year
- (3) Statement showing the additions to, and the deductions from, the number of policies existing on the 1st Katik of each year, as also the sum assured and the amount of reversionary bonus.
- (4) Statements showing the particulars of policies forfeited or lapsed in the last financial year, less those revived, classified according to the year in which they were issued.

Note.—Statement (4) should be prepared separately for Life Insurance and Endowment Assurance.

TEST AUDIT.

60. The Examiner Local Accounts Kashmir will test audit the accounts of the Fund annually and will see :—

- (1) That the proposal forms are complete in all respects as required by the State Insurance Rules (10 per cent).

(2) That the premia calculated are correct in accordance with the Insurance Tables (10 per cent.).

(3) That the first premium has been paid on or before the 60th day from the date of acceptance (10 per cent.).

(4) That the policies issued are in accord with the proposal forms and with the Medical report (10 per cent.).

(5) That necessary fee has been received for the issue of duplicate Receipt Book (10 per cent.).

(6) That the assignments and re-assignments are noted in the relevant Ledger Card or if the policy is paid-up in the Paid-up Register (cent. per cent.).

(7) That the policies issued have been properly brought on to the Register, the Ledger valuation and Index Cards (10 per cent.).

(8) That the premia shown as recovered on the Register and the Ledger Card tally with the entries in the Card and the Schedules attached to Pay Bills (10 per cent.).

(9) That the list of unadjusted items is properly maintained and that necessary action has been taken to remove the items from the unadjusted list and to post them in the relevant cards (10 per items to be so cheked).

(10) That when all postings in a set of ledger cards have been completed the review of the cards has been done in accordance with Article 22.

(11) That in case of renewal of lapsed and forfeited policies the provisions of Rule 40 and 41 of the State Insurance Rules have been enforced (cent. per cent.).

(12) That audit of payments have been conducted in accordance with Article 47 Audit Code Volume I.

(13) That the Medical Fees paid are in order and are properly vouched for (5 per cent.).

(14) That Medical Fees for policies that have become void within a year have been recovered (10 per cent.).

(15) That fines for late payments have been imposed and recovered (25 per cent.).

(16) That the Broadsheet of premia is posted regularly from month to month and suitable explanations are given for difference with the detailed book.

(17) That the postings in the Register of Insurance Fund Reserve and Investment and that the Financial Statements prepared for submission to Government, are correct.

(18) That the value of Paid-up Policies has been fixed in accordance with the Rules and Tables and that the Surrender Values calculated are in order (cent. per cent.).

(19) That the payments made on account of Insurance are in order (cent. per cent.).

(20) That charges debited to the Insurance Fund on account of Working, Audit and Printing etc. are in order.

(21) That registers maintained in the Sections are posted regularly and returns are submitted on due dates to the Superintendent, Branch Officer and the Accountant General.

COST OF WORKING THE STATE INSURANCE FUND.

61. The following expenditure is debitable to the Fund :—

- (i) Actual expenses in the year of the State Insurance Section, in the office of the Accountant General including Rent, Postage, Printing and Stationery.
- (ii) Fee for the actuarial work of the Fund in the year.
- (iii) A flat rate per policy to cover all the charges not including the two items above.

Item (i) constitutes the following charges which are calculated in the Insurance Section annually and adjustments made in the Assuj final accounts by debit to the Fund and credit to the Heads concerned:—

(1) *Cost of establishment.*—The actual pay of the sanctioned number of men working in the State Insurance Section plus 8 per cent. of the number of appointments on account of leave reserve in the lowest clerical scale and the share of the pay of the Accountant General, the officer in charge, the Records Section and the Administration Section proportionately to the direct cost of the Establishment of the Section.

(2) *Contribution for leave and pension.*—Under Article 185 Kashmir Service Regulations.

(3) *Proportionate share for house-rent.*—As assessed by the Divisional Engineer.

(4) *Cost of printing.*—According to bills received from the Press separately.

(5) *Cost of Electric current.*—Share of Electric charges proportionate to accommodation.

(6) *Postage and Telegrams.*—The charges to be calculated on the basis of the actual issues of letters and telegrams.

(7) *Other Contingent charge including stationery, furniture and other articles purchased for the Section.*—Actual charges.

Item (ii).—Actual expenses incurred in connection with the actuarial work of the Fund.

Item (iii).—The other charges incurred in connection with the management of the Fund should be calculated in the manner that might be prescribed by the Accountant General from time to time.

PROGRESS REPORT.

62. A monthly progress report should be maintained in Form No. L.I. 18 by each of the auditors in charge of the Audit Groups and submitted to the Cazetted officer through the Superintendent every month. Separate daily reports should be maintained in manuscript for the Issue, Account, and Review Groups and submitted to be Gazetted officer every Monday.

RECORD ARRANGEMENTS.

63. All forms that are used in the Section are kept in the custody of a clerk who is also in charge of all important cases of the Section. He is to work under the direct orders of the Superintendent as a General Assistant in the Section and to receive and distribute the dak. Form of policies and premium receipt books are, however, kept in the custody of the Superintendent who is required to keep a proper account of them (in Form No. L.I. 59) and to verify the balances annually.

64. One case will be opened for each insurant, and all correspondence relating to the policy or policies held by the insurant will be filed in it. The cases will be kept arranged in racks in the

custody of the reference clerks and will be supplied by them to the Auditors on requisition. The cases of insurants whose policies have been closed either by payment or by surrender or forfeiture are transferred to the Old Records for preservation.

APPENDIX A.

(Referred to in Note 2 to Article 30)

Method of calculation of paid-up value, surrender value etc. of State Insurance Policies with tables showing rates of monthly premia etc.

Note.—These methods of calculations are liable to revision from time to time and cases will be dealt with according to the method in force at the time they arise.

I. REDUCED PAID-UP VALUE OF A POLICY.

Determine the "Attained Age" " $X+N$ " where " X " is the 'Office Age—Next Birth Date—At Entry' and " N " is the number of years' premiums paid.

In the case of those Limited payments and Endowment Assurance policies under which the number of premiums payable falls short of the maximum number, the "attained age" should be determined by subtracting from the age at which premiums are to cease, the number of years' premiums remaining to be paid.

'Y' = Specified age on which the policy will mature.

'Z' = Number of premia remaining to be paid.

Then $Y-Z$ = Attained age.

Under all fully paid-up policies as well as those which have been made paid-up for reduced amounts, the age to the nearest month should be taken as the attained age.

In case of whole Life policies, the paid-up value is to be worked out according to the following formula:—

$$\frac{\text{Higher Premium} - \text{Lower Premium}}{\text{Higher Premium}} \times \text{Value of the Policy} + \text{bonuses.}$$

Higher premium means the premium at the "attained age" and Lower premium means the premium at the age next birth date at entry.

In the case of other policies the paid-up value is to be taken as equal to a proportionate part of the sum assured corresponding to the premiums actually paid.

Note 1.—When the “Attained Age” includes fractional duration, the calculations are made separately for two (integral) ages between which the attained age lies, and the value for the attained age is worked out by interpolating between the two results.

Note 2.—In the case of a converted or commuted policy the paid-up value is to be calculated as above only in respect of the assurance which is covered by the premium payable under it and not of the whole assurance. This paid-up value with the paid-up amount that is included in the assurance will give the paid-up value for the total assurance. Thus, if in respect of a converted policy for Rs. $a+b$, “ a ” is the paid-up amount and the premium payable is in respect of “ b ” only, then the paid-up value is to be determined as above only in respect of “ b ” and if it works out as “ c ” then the paid-up value of the assurance “ $a+b$ ” is taken as “ $a+c$ ”.

Examples.—(a) To find the paid-up value on 28th Assuj 1916 of a W. L. for Rs. 4,400 issued on 18th Assuj 1888, the date of birth being 18th Assuj 1861.

Office age at entry ... (n. b. d.) 28.

Number of years' premiums paid 1916-6 minus 1888-6. 28 years 1 month.

Attained age ... 56 years 1 month.

Sum assured ... Rs. 4,400.

Premium for Rs. 1,000 of W. L. at age 28. 398 pies (Table A-2).

Premium for Rs. 1,000 of W. L. at age 56. 1,206 pies (Table A-2).

Premium for Rs. 1,000 of W. L. at age 57. 1,270 pies (Table A-2).

Paid-up value for age 56 ... Rs. $808/1,206 \times 4,400$ i. e. Rs. 2,947-92.

Paid-up value for age 57 ... $\text{Rs. } 4,400 \times 872/1,270 \text{ i. e.}$
 $\text{Rs. } 3,021.1.$

Difference for 12 months ... $\text{Rs. } 73.18.$

Difference for one month (pro rata) ... $\text{Rs. } 6.09.$

Paid-up value for age "56—1" ... $\text{Rs. } 2,954-01.$

Add Bonus of 1912 ... $\text{Rs. } 440.$

Total paid-up value required ... $\text{Rs. } 3,394 \text{ roundly.}$

(b) To find the paid up value on 31st Baisakh 1917 of an E. A. 50 for Rs. 2,000 issued on 25th Har 1899 with an Office Age at entry "32" the date of birth being 25th Har 1868:—

Premium payable ... Till Jeth 1917.

Date of Policy ... Har 1899.

Number of months' premiums payable. ... 18 years i. e. 216 months.

Date of application ... Baisakh 1917.

Premiums paid for ... 17 years 11 months i. e. 215 months.

Paid-up value ... $\text{Rs. } 2,000 \times 215/216 \text{ plus bonus} =,$
 $1,990 + \text{bonus.}$

II. SURRENDER VALUE OF A POLICY.

Determine the paid-up value of an assurance for the "Attained age" as under item I.

Determine from Tables A-3 or B-3 (Parts I and II) the Single premium at the Attained age " $X+N$ " for unit of the assurance.

The Surrender value for the "Attained age" is the product of the Paid-up value and the Single premium.

Note.—When the "Attained age" includes fractional duration the surrender value is to be calculated separately for two ages (integral) between which the attained age lies and the final result is to be obtained by method of

interpolation. All fractions are to be neglected from the final result.

Examples.— (a) To find the surrender value of the policy given in example (a) of item I:—

Single premium for attained age 56 of Unit of Life Insurance as per Table A-3. .518

Single premium for attained age 57 of Unit of Life Insurance as per Table A-3. .530

Surrender value for age 56 ... Rs. $808/1,206 \times 4,400 \times .518 + 440 \times .518$, i. e. Rs. 1,754.9.

Surrender value for age 57 ... Rs. $872/1,270 \times 4,400 \times .530 + 440 \times .530$, i. e. Rs. 1,835.2.

Difference for 12 months ... Rs. 80.3

Difference for one month ... 6.69

Surrender value for age 56.1 ... 1,761.59 or 1,761

(b) To find the surrender value of the policy given in example (b) of item I:—

Paid-up value ... Rs. 1,990

Bonus of 1,912 ... Rs. 100

Total ... Rs. 2,090

In this case, the attained age is 49 years 11 months single premium for attained age 49 of unit of Endowment Assurance as per Table B-3, Part II-957:—

Single premium for attained age 50. 1.0

Surrender value for age 49 ... $2,090 \times .957$, i. e. 2,000

Surrender value for age 50 ... $2,090 \times 1.0$, i. e. 2,090

Difference for 12 months ... 90

Difference for one month ... 7.5

Surrender value for age 49 years 11 months. Rs. 2,082/5/-

III. SURRENDER VALUE OF A FORFEITED POLICY.

The date of forfeiture, i. e. the last due date for accepting the premium after default should be taken as the date of application and the surrender value will be calculated according to the class of policies enumerated in the foregoing pages and in accordance with the tables in force on the date of forfeiture of the policy under rule 41 of the State Insurance Rules. The total amount of premia for 12 months together with interest at 8 per cent. not less than Re. 1 should then be deducted from the amount of the surrender value and the net amount is to be intimated to the party concerned.

III. COMMUTATION OF FUTURE PREMIUMS PAYABLE UNDER A POLICY BY A LUMP PAYMENT AT THE ATTAINED AGE " $X+N$ ".

From Table A-4 and B-4 (Parts I and II) determine the capitalised values at age " $X+N$ " of unit monthly payment ceasing at age at which the premium are to cease under the policy.

Multiply the rate of premium that is being actually paid with this capitalised value of unit monthly payment, the product giving the required sum.

Example.—To commute future premia of Whole Life Policy taken out with the office age at entry "25" into lump payment after premiums have been paid for 10 years at Rs. 1-12-4 or Rs. 1.77083 a month.

Rate of premium payable 1.77083×196.776 [(the present value at age 35 of an annuity of 1 per month payable for the remainder of life) Table A-4] = Rs. 348-7-4 amount as single payment required to commute future premiums.

Note.—When the attained age includes fractional duration the calculation are to be made separately for the two integral ages between which the attained age lies and the final result is to be obtained by interpolation.

IV. REDUCTION IN THE AMOUNT OF THE PREMIUM PAYABLE WITHOUT AFFECTING THE TERM FOR WHICH PAYABLE WITH CORRESPONDING DECREASE IN THE ORIGINAL SUM ASSURED.

Calculate the attained age and for that attained age determine the Paid-up value of the assurance in question as under item I.

From the premium Table A-2 or E-2 (Parts I and II) calculate the amount of the assurance that can be secured at the attained age with the reduced rate of monthly premium, but ceasing at the same age as under the original assurance.

The value of the new policy is the total of the Paid-up value, and this new sum secured by the reduced rate of premium.

V. INCREASE IN THE AMOUNT OF PREMIUM PAYABLE WITHOUT AFFECTING THE TERM FOR WHICH PAYABLE.

As this practically is tantamount to taking out a further assurance it must not be allowed without a fresh medical examination.

VI. ALTERATION IN THE TERM FOR WHICH PREMIUMS ARE PAYABLE UNDER A POLICY WITHOUT AFFECTING THE DATE OF MATURITY OF THE POLICY BUT WITH NECESSARY ALTERATION IN THE SUM ASSURED.

Caution.—Under an Endowment Assurance the premiums except where they have been compounded by a lump payment are payable up to the maturity age.

So this kind of commutation cannot apply to E. A. It applies to Life Insurance only.

Determine the "Attained age" and find out for that age the Paid-up value of the original policy as under item I.

From the premium Table A-2 find out the value of the assurance that can be secured at the attained age by the proposed rate of premium payable for the term required.

The value of the policy is the sum of the Paid-up value with Bonus addition and this new sum secured.

Note 1.—When the attained age is fractional calculation paid-up value is to be made for two ages separately and the final result obtained by interpolation. This applies to Whole Life Policy only. For the new assurance the higher age is to be taken as the basis for calculation.

Note 2.—Any alteration affecting increase in the sum assured is to be allowed only on the production of medical certificate as it tantamounts to the taking out of a fresh policy, and involves additional risk on the Fund.

VII. CONVERSION OF A POLICY, *i. e.* EITHER ALTERATION
FROM THE LIFE INSURANCE CLASS TO THE ENDOW-
MENT CLASS AND VICE-VERSA OR ANTE-DATING AND
MATURITY POST DATING OF
AN ENDOWMENT ASSURANCE.

Caution.—Conversion is to be allowed only after an integral number of years' premiums have been paid so that the "attained age", will always be integral and with either the original sum assured or the original rate of the premium kept in tact.

The general method to be adopted in such a case is to divide the surrender value on the old assurance, calculated under item II by the single premium which would be required for a new assurance of the altered class or maturing at the altered age, such single premium being calculated by multiplying the monthly subscription at the "attained age" for the class to which the original policy is being transferred as per Table A-2 or B-2 (Parts I and II) by the corresponding present value at the attained age of unit monthly payment given in Table A-4 or B-4 (Parts I and II). The result will give the amount of "Paid-up assurance" of the new class that can be secured in exchange for the surrender of the old policy. If the conversion is with the original sum assured kept in tact, then the premium is to be calculated at the attained age on the difference between the original sum assured and this Paid-up Assurance. If the rate of monthly premium is kept in tact then the sum assured that can be secured under the new Tables at the attained age by the rate of premium payable under the original policy is to be calculated by rule of three from Table A-2 or B-2 (Parts I and II) and added to the Paid-up assurance to give the value of the new assurance.

Thus:—

Find out the surrender value of the old policy for the "attained age" as under item II (A).

Determine from Table A-2 or B-2 (Parts I and II) the rate of premium of the new assurance to which the original one is to be transferred at the attained age (a).

Determine the value present of unit monthly payment at the attained age ceasing at age at which the premiums are to cease under the new assurance from Table A-4 or B-4 (Parts I and II).

Product of (a) and (b) gives the lump sum required for Rs. 1,000 of the new assurance at the attained age.

Paid-up value of the new assurance secured by (A) is $\frac{A \times 1,000}{(a) \times (b)}$
i. e. B say.

If the original sum assured "S" is kept intact then premiums are to be calculated on "S" minus "B" of the new assurance.

If the original rate of premium is kept intact then the sum assured of the new assurance that can be secured by that rate of premium is to be worked and the sum assured under the new assurance will be this sum plus "B".

Note 1.—When the date of maturity is postponed beyond a later date then under the original assurance second medical examination is to be insisted on at the expense of the assured.

Note 2.—When the sum assured is increased on conversion beyond the original amount a second medical examination is to be insisted on.

Note 3.—On conversion the sum assured must not be allowed to go beyond the maximum limit under any circumstances.

Note 4.—When the surrender value works out to be in excess of the paid-up amount of the new assurance it secures, the paid-up amount is to be taken as equal to the surrender value.

Note 5.—Reconversion is to be treated as a fresh conversion.

Examples.—(a) To find the terms of conversion of an E. A. Policy for Rs. 500 maturing at age "55" and taken out in Har 1908 with the office age at entry (N. B. D.) 30, when it is proposed to antedate the maturity age by 5 years after premiums have been paid for 9 complete years:—

The bonus of 1912, Rs. 20 plus bonus of 1917 Rs. 25, Total Rs. 45.

Attained age	... "39"
Surrender value as under item II	... Rs. 119.2
Rate of premium of E. A. 50 at age "39"	... 1,461 pies (Table B-2, II).
Capitalized value at age "39" of unit payment ceasing at age "50"	... Rs. 104.052 (Table B-4, II).
Single premium to secure unit sum at age 39 of E. A. 50	... $\frac{Rs. 1461 \times 104.052}{192 \times 1,000}$
Paid up amount of the new assurance E. A. 50 secured at age "39" by the surrender value of the original policy as a lump payment	... $\frac{Rs. 192 \times 1,000 \times 119.2}{1,461 \times 104.052}$ i. e. Rs. 150-6 or Rs. 150 roundly.

(i) Suppose it is proposed to remain insured for the same original sum assured.

Difference ... Rs. 500—150 or Rs. 350

Rate of premium payable for } = Rs. $\frac{350 \times 1,461}{192 \times 1,000}$ i. e. Rs. 2-10-7
Rs. 350 under E. A. 50. }

This is the rate of premium to be payable for the new assurance of Rs. 500.

(ii) Suppose it is proposed to continue to pay the same rate of premium, viz. Rs. 1-9-0 under the new policy.

Then the sum of E. A. 50 which can be secured by this rate of premium at age "39" = Rs. $\frac{1,000 \times 25 \times 192}{16 \times 1,461}$ i. e. Rs. 205-5-5 or Rs. 205 roundly.

The value of the new policy = Rs. 150 + 205 or Rs. 355

(b) To find the terms of conversion of a L. P. 55 policy for Rs. 200 taken out in Jeth 1913 with the office age at entry (N. B. D.) "44" into E. A. 55 after premiums have been paid for 4 complete years where the original premium to remain unchanged, viz Rs. 1-0-8 or 200 pies.

The bonus of 1917 ... Rs. 12

Attained age ... 48

Surrender value as under item II Rs. 36.18

Rate of premium of E. A. 55 at 2,419 (Table B-2, II)
age "48".

Capitalized value at age "48"
of unit monthly payment
ceasing at age "55" ... 70.920 (Table B-4, II)

Single premium to secure unit
sum at age "48" of E. A. 55. $\frac{Rs. 2,419 \times 70.920}{192 \times 1,000}$

Paid-up amount of the assurance E. A. 55 secured at age "48" by the surrender value of the original policy as a lump payment and by payment of the original rate of premium
= Rs. $\frac{192 \times 1,000 \times 36.18}{2,419 \times 70.92} + \frac{200 \times 1,000}{2,419}$ i. e. 123.

APPENDIX A.

TABLES.

TABLE A-1.

*Vide Article 5 (Note 1).**Monthly Premiums for an Assurance of Rs. 1,000 in the Life Insurance Class.*

Office age at Entry (N. B. D.).	Payable during life.	Ceasing at age "5" reckoned from Office age.	Ceasing at age "55" reckoned from Office age.	Office age at Entry (N. B. D.).
	Rs a. p.	Rs. a. p.	Rs. a. p.	
18	1 10 5	1 14 7	1 12 11	18
19	1 10 10	1 15 4	1 13 6	19
20	1 11 4	2 0 2	1 14 2	20
21	1 11 10	2 1 0	1 14 11	21
22	1 12 5	2 2 1	1 15 10	22
23	1 13 1	2 3 3	2 0 9	23
24	1 13 9	2 4 6	2 1 9	24
25	1 14 6	2 5 11	2 2 10	25
26	1 15 4	2 7 6	2 4 1	26
27	2 0 3	2 9 2	2 5 5	27
28	2 1 2	2 11 1	2 6 10	28
29	2 2 2	2 13 2	2 8 5	29
30	2 3 3	2 15 6	2 10 2	30
31	2 4 4	3 1 1	2 12 0	31
32	2 5 6	3 4 8	2 13 11	32
33	2 6 8	3 7 9	3 0 0	33
34	2 7 11	3 11 2	3 2 4	34
35	2 9 3	3 15 0	3 4 11	35
36	2 10 8	4 3 6	3 7 9	36
37	2 12 3	4 8 8	3 10 11	37
38	2 13 10	4 14 8	3 14 5	38
39	2 15 7	5 5 10	4 2 5	39
40	3 1 6	5 14 4	4 7 0	40
41	3 3 6	6 8 8	4 12 1	41
42	3 5 7	7 5 6	5 1 11	42
43	3 7 9	8 5 11	5 8 8	43
44	3 10 1	9 11 8	6 0 7	44
45	3 12 8	11 9 11	6 10 0	45
46	3 15 0	.....	.....	.....
47	4 1 9	.....	.....	.....
48	4 4 8	.....	.....	.....
49	4 7 9	.....	.....	.....
50	4 11 1	.....	.....	.....

APPENDIX A.

TABLE B-I, PART I.

*Monthly Premiums for an Assurance of Rs. 1,000 in the
Endowment Assurance Class maturing at ages 45,
46, 47, 48 and 49.*

Office age at Entry (N. B. D.)	MATURING AGE.															Office age at Entry (N. B. D.)
	45			46			47			48			49			
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	
18	2	12	4	2	10	7	2	9	0	2	7	6	2	6	2	18
19	2	14	1	2	12	3	2	10	6	2	8	11	2	7	5	19
20	3	0	0	2	13	11	2	12	1	2	10	4	2	8	0	20
21	3	2	1	2	15	10	2	13	10	2	11	11	2	10	3	21
22	3	4	5	3	2	0	2	15	9	2	13	9	2	11	11	22
23	3	7	0	3	4	4	3	1	11	2	15	9	2	13	8	23
24	3	9	11	3	6	11	3	4	3	3	1	11	2	15	8	24
25	3	13	1	3	9	10	3	6	11	3	4	3	3	1	10	25
26	4	0	8	3	13	1	3	9	10	3	6	11	3	4	3	26
27	4	4	9	4	0	8	3	13	1	3	9	10	3	6	11	27
28	4	9	4	4	4	9	4	0	9	3	13	2	3	9	11	28
29	4	14	8	4	9	6	4	4	11	4	0	11	3	13	4	29
30	5	4	8	4	14	10	4	9	8	4	5	2	4	1	1	30
31	5	11	8	5	4	11	4	15	0	4	9	11	4	5	4	31
32	6	3	8	5	11	10	5	5	1	4	15	3	4	10	2	32
33	6	13	1	6	3	11	5	12	1	5	5	5	4	15	6	33
34	7	8	3	6	13	4	6	4	2	5	12	5	5	5	8	34
35	8	5	7	7	8	6	6	13	7	6	4	5	5	12	8	35
36	9	6	0	8	5	11	7	8	9	6	13	11	6	4	9	36
37	10	10	7	9	6	4	8	6	2	7	9	1	6	14	3	37
38	12	4	11	10	10	10	9	6	7	8	6	6	7	9	4	38
39	14	8	1	12	5	3	10	11	2	9	6	11	8	6	10	39
40	17	9	5	14	8	5	12	5	7	10	11	6	9	7	4	40
41	.....			17	9	10	14	8	10	12	5	11	10	11	10	41
42	.....			.....			17	10	2	14	9	2	12	6	4	42
43	.....			.....			.....			17	10	7	14	9	8	43
44	.....			.....			.....			.....			17	11	0	44

APPENDIX A.

TABLE B-I, PART II.

Monthly Premiums for an Assurance of Rs. 1,000 in the Endowment Assurance Class maturing at ages 50, 51, 52, 53, 54 and 55.

Office age at Entry (N. B. D.).	MATURING AGE.												Office age at Entry (N. B. D.).						
	50			51			52			53				54			55		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	
18	2	4	11	2	3	9	2	2	8	2	1	8	2	0	9	1	15	10	18
19	2	6	1	2	4	10	2	3	8	2	2	7	2	1	7	2	0	8	19
20	2	7	4	2	5	11	2	4	9	2	3	7	2	2	6	2	1	8	20
21	2	8	8	2	7	3	2	5	11	2	4	8	2	3	6	2	2	5	21
22	2	10	2	2	8	7	2	7	2	2	5	11	2	4	8	2	3	6	22
23	2	11	10	2	10	2	2	8	7	2	7	2	2	5	10	2	4	8	23
24	2	13	8	2	11	10	2	10	2	2	8	7	2	7	2	2	5	10	24
25	2	15	8	2	13	8	2	11	10	2	10	2	2	8	7	2	7	2	25
26	3	1	10	2	15	8	2	13	8	2	11	10	2	10	2	2	8	8	26
27	3	4	4	3	1	11	2	15	9	2	13	9	2	11	11	2	10	4	27
28	3	7	0	3	4	5	3	2	0	2	15	11	2	13	11	2	12	1	28
29	3	10	1	3	7	2	3	4	7	3	2	3	3	0	1	2	14	2	29
30	3	13	6	3	10	4	3	7	5	3	4	10	3	2	6	3	0	4	30
31	4	1	4	3	13	9	3	10	7	3	7	0	3	5	1	3	2	9	31
32	4	5	7	4	1	8	3	14	1	3	10	11	3	8	0	3	5	5	32
33	4	10	5	4	5	11	4	1	11	3	14	4	3	11	3	3	8	4	33
34	4	15	10	4	10	3	4	6	3	4	2	3	3	14	8	3	11	7	34
35	5	5	11	5	0	1	4	11	0	4	6	7	4	2	7	3	15	1	35
36	5	13	0	5	6	3	5	0	6	4	11	5	4	6	11	4	3	0	36
37	6	5	1	5	13	4	5	6	8	5	0	10	4	11	9	4	7	4	37
38	6	14	7	6	5	5	5	13	5	5	7	0	1	3	3	4	12	3	38
39	7	9	9	6	14	11	6	5	10	5	14	1	5	7	5	5	1	8	39
40	8	7	3	7	10	2	6	5	4	6	6	3	5	14	6	5	7	11	40
41	9	7	8	8	7	8	7	10	7	6	15	9	6	6	8	5	15	0	41
42	10	12	3	9	8	1	8	8	1	7	11	1	7	0	3	6	7	3	42
43	12	6	9	10	12	8	9	8	7	8	8	7	7	11	7	7	0	10	43
44	14	10	1	12	7	3	10	13	3	9	9	1	8	9	1	7	12	2	44
45	17	11	5	14	10	6	12	7	9	10	13	1	9	9	7	8	9	8	45
46	.....	.....	.....	17	11	11	14	11	1	12	8	3	10	14	4	9	10	3	46
47	.....	.....	.....	.....	.....	.....	17	12	7	14	11	9	12	8	11	10	15	0	47
48	.....	.....	.....	.....	.....	.....	.....	.....	.....	17	13	2	14	12	4	12	9	7	48
49	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	17	13	9	14	13	0	49
50	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	17	14	7	50

APPENDIX A.

TABLE A-2.

Life Assurances.

*Monthly Premium for an Assurance of Rs. 1,000.
(Expressed in Pies).*

Age at Entry.	Premium payable throughout life.	Age at Entry.	Premium payable throughout life.	Age at Entry.	Premium ceasing at age 50.	Premium ceasing at age 55.	Age at Entry.
18	317	58	1,337	18	367	347	18
19	322	59	1,409	19	376	354	19
20	328	60	1,486	20	386	362	20
21	334	61	1,568	21	396	371	21
22	341	62	1,657	22	409	382	22
23	349	63	1,754	23	423	393	23
24	357	64	1,861	24	438	405	24
25	366	65	1,978	25	455	418	25
26	376	66	2,106	26	474	433	26
27	387	67	2,245	27	494	449	27
28	398	68	2,391	28	517	466	28
29	410	69	2,544	29	542	485	29
30	423	70	2,703	30	570	506	30
31	436	71	2,875	31	599	528	31
32	450	72	3,056	32	632	551	32
33	464	73	3,257	33	669	576	33
34	479	74	3,474	34	710	604	34
35	495	75	3,705	35	756	635	35
36	512	76	3,955	36	810	669	36
37	531	77	4,217	37	872	707	37
38	550	78	4,485	38	944	749	38
39	571	79	4,762	39	1,030	797	39
40	594	80	5,051	40	1,132	852	40
41	618	81	5,377	41	1,256	913	41
42	643	82	5,767	42	1,410	983	42
43	669	83	6,230	43	1,607	1,064	43
44	697	84	6,846	44	1,868	1,159	44
45	725	85	7,676	45	2,231	1,272	45
46	756	86	8,807	46	2,773	1,408	46
47	789	87	10,331	47	3,673	1,577	47
48	824	88	12,702	48	5,469	1,793	48
49	861	89	16,041	49	10,846	2,080	49
50	901	90	22,232	50	.....	2,479	50
51	944	.....	.....	51	.....	3,074	51
52	989	.....	.....	52	.....	4,060	52
53	1,038	.....	.....	53	.....	6,024	53
54	1,090	.....	.....	54	.....	11,897	54
55	1,146	.....	.....	.....	.....	.....	.....
56	1,206	.....	.....	.....	.....	.....	.....
57	1,270	.....	.....	.....	.....	.....	.....

APPENDIX A.

TABLE A-3.

Whole Life Assurance.

Applicable only for conversion of Paid-up Policies into Surrender Value.

SINGLE PREMIUM PER UNIT OF SUM ASSURED.

Age.	Single pre- mium per unit of sum Assured.	Age.	Single pre- mium per unit of sum Assured.	Age.	Single pre- mium per unit of sum Assured.	Age.	Single pre- mium per unit of sum Assured.
19	....	39	.342	59	.555	79	.796
20	.238	40	.350	60	.568	80	.805
21	.242	41	.358	61	.581	81	.814
22	.246	42	.367	62	.593	82	.823
23	.249	43	.377	63	.606	83	.831
24	.252	44	.386	64	.619	84	.838
25	.256	45	.396	65	.631	85	.845
26	.259	46	.407	66	.644	86	.852
27	.264	47	.417	67	.656	87	.860
28	.268	48	.427	68	.669	88	.867
29	.273	49	.438	69	.682	89	.876
30	.279	50	.449	70	.695	90	.886
31	.285	51	.460	71	.708	91	.897
32	.291	52	.471	72	.720	92	.908
33	.298	53	.482	73	.732	93	.920
34	.305	54	.494	74	.744	94	.930
35	.312	55	.506	75	.755	95	.942
36	.319	56	.518	76	.765	....	....
37	.327	57	.530	77	.776	....	....
38	.334	58	.543	78	.786	....	....

TABLE A-4.

Life Insurance.

PRESENT VALUES OF ANNUITIES OF ONE PER MONTH.

Age	Present value of an Annuity of 1 per month payable throughout Life.	Age.	Present value of an Annuity of 1 per month payable throughout Life.	Age.	Present value of a Temporary Annuity of 1 per month ceasing at Age 50.	Present value of a Temporary Annuity of 1 per month ceasing at Age 55.	Age.
18	235.476	58	110.748	18	203.568	215.184	18
19	234.072	59	106.752	19	200.688	212.832	19
20	232.644	60	102.816	20	197.712	210.432	20
21	231.072	61	98.892	21	194.520	207.816	21
22	229.320	62	94.980	22	191.112	205.008	22
23	227.460	63	91.044	23	187.512	202.032	23
24	225.456	64	87.084	24	183.708	198.888	24
25	223.308	65	83.112	25	179.688	195.552	25
26	221.004	66	79.164	26	175.440	192.012	26
27	218.592	67	75.300	27	170.976	188.304	27
28	216.096	68	71.592	28	166.356	184.440	28
29	213.468	69	68.088	29	161.520	180.408	29
30	210.780	70	64.800	30	156.480	176.232	30
31	208.092	71	61.584	31	151.320	171.972	31
32	205.356	72	58.524	32	145.992	167.568	32
33	202.560	73	55.464	33	140.400	163.032	33
34	199.728	74	52.500	34	134.712	158.352	34
35	196.776	75	49.680	35	128.736	153.468	35
36	193.716	76	46.944	36	122.484	148.368	36
37	190.512	77	44.388	37	115.944	143.052	37
38	187.212	78	42.048	38	109.116	137.508	38
39	183.804	79	39.864	39	102.000	131.736	39
40	180.312	80	37.824	40	94.608	125.760	40
41	176.772	81	35.760	41	86.904	119.592	41
42	173.208	82	33.464	42	78.888	113.172	42
43	169.584	83	31.284	43	70.548	106.548	43
44	165.948	84	28.692	44	61.848	99.684	44
45	162.288	85	25.812	45	52.752	92.568	45
46	158.580	86	22.704	46	43.236	85.152	46
47	154.812	87	19.536	47	33.24	77.448	47
48	150.972	88	16.044	48	22.740	69.348	48
49	147.084	89	12.828	49	11.676	60.888	49
50	143.148	90	9.348	50	.....	52.032	50
51	139.176	.....	.....	51	.....	42.270	51
52	135.156	.....	.....	52	.....	32.928	52
53	131.124	.....	.....	53	.....	22.584	53
54	127.044	.....	.....	54	.....	11.640	54
55	122.940	.....	.....	...	.....	.....	.....
56	118.848	.....	.....	...	.....	.....	.....
57	114.780	.....	.....	...	.....	.....	.....

APPENDIX A.

TABLE B-2, PART I.

Endowment Assurances.

*Monthly Premium for an Assurance of Rs. 1,000.**(Expressed in Pies).*

Age at Entry.	MATURING AGES.					Age at Entry.
	45	46	47	48	49	
18	532	511	492	474	458	8
19	553	531	510	491	473	19
20	576	551	529	508	489	20
21	601	574	550	527	507	21
22	629	600	575	549	527	22
23	660	628	599	573	548	23
24	695	659	627	599	572	24
25	733	694	659	627	598	25
26	776	733	694	659	627	26
27	825	776	733	694	659	27
28	880	825	777	734	695	28
29	944	882	827	779	736	29
30	1,016	946	884	830	781	30
31	1,100	1,019	948	887	832	31
32	1,196	1,102	1,021	951	890	32
33	1,309	1,199	1,105	1,025	954	33
34	1,443	1,312	1,102	1,109	1,028	34
35	1,603	1,446	1,315	1,205	1,112	35
36	1,800	1,607	1,449	1,319	1,209	36
37	2,047	1,804	1,610	1,453	1,223	37
38	2,363	2,050	1,807	1,614	1,456	38
39	2,785	2,367	2,054	1,811	1,618	39
40	3,377	2,789	2,371	2,058	1,816	40
41	4,266	3,382	2,794	2,375	2,062	41
42	5,747	4,271	3,386	2,798	2,380	42
43	8,709	5,751	4,275	3,391	2,804	43
44	17,589	8,714	5,756	4,279	3,396	44
45	.....	17,589	8,719	5,760	4,284	45
46	.....	.....	17,607	8,724	5,767	46
47	.....	.....	.....	17,626	8,728	47
48	.....	.....	.....	.....	17,626	48

TABLE B.2, PART II.

Endowment Assurances.

Monthly Premium for an Assurance of Rs. 1,000.

(Expressed in Pies).

	MATURING AGES.						
Age at Entry.	50	51	52	53	54	55	Age at Entry.
18	443	429	416	404	393	382	18
19	457	442	428	415	403	392	19
20	472	455	441	427	414	402	20
21	488	471	455	440	426	413	21
22	506	487	470	455	440	428	22
23	526	506	487	470	454	440	23
24	548	526	506	487	470	454	24
25	572	548	526	506	487	470	25
26	598	572	548	526	506	488	26
27	628	599	573	549	527	508	27
28	660	629	600	575	551	529	28
29	697	662	631	603	577	554	29
30	738	700	665	634	606	580	30
31	784	741	703	669	637	609	31
32	835	788	745	707	672	641	32
33	893	839	791	748	711	676	33
34	958	896	843	795	752	715	34
35	1,031	961	900	847	799	757	35
36	1,116	1,035	966	905	851	804	36
37	1,213	1,120	1,040	970	909	856	37
38	1,327	1,217	1,124	1,044	975	915	38
39	1,461	1,331	1,222	1,129	1,049	980	39
40	1,623	1,466	1,336	1,227	1,134	1,055	40
41	1,820	1,628	1,471	1,341	1,232	1,140	41
42	2,067	1,825	1,633	1,477	1,347	1,239	42
43	2,385	2,072	1,831	1,639	1,483	1,354	43
44	2,809	2,391	2,079	1,837	1,645	1,490	44
45	3,401	2,814	2,397	2,085	1,843	1,652	45
46	4,291	3,407	2,821	2,403	2,092	1,851	46
47	5,774	4,298	3,415	2,829	2,411	2,100	47
48	8,737	5,778	4,305	3,422	2,836	2,419	48
49	17,626	8,743	5,787	4,313	3,429	2,844	49
50	....	17,626	8,753	5,796	4,320	3,439	50
51	....	....	17,644	8,758	5,803	4,330	51
52	....	....	....	17,663	8,768	5,815	52
53	....	....	....	....	17,663	8,777	53
54	....	....	..	....	....	17,682	54

APPENDIX A.

TABLE B-3, PART I.

Endowment Assurances.

Single Premium per Unit of Sum Assured.

Age Attained.	AGE AT MATURITY.					Age Attained.
	45	46	47	48	49	
19	.....	.....	.....	.....	.....	19
20	.387	.375	.363	.352	.342	20
21	.400	.387	.375	.363	.352	21
22	.414	.400	.387	.375	.363	22
23	.429	.414	.400	.387	.375	23
24	.444	.429	.414	.400	.387	24
25	.460	.444	.429	.414	.400	25
26	.476	.460	.444	.429	.414	26
27	.493	.476	.460	.444	.429	27
28	.511	.493	.476	.460	.444	28
29	.530	.511	.493	.476	.460	29
30	.550	.530	.511	.493	.476	30
31	.571	.550	.530	.511	.493	31
32	.593	.571	.550	.530	.511	32
33	.615	.593	.571	.550	.530	33
34	.639	.615	.593	.571	.550	34
35	.664	.639	.615	.593	.571	35
36	.691	.664	.639	.615	.593	36
37	.718	.691	.664	.639	.615	37
38	.747	.718	.691	.664	.639	38
39	.777	.747	.718	.691	.664	39
40	.809	.777	.747	.718	.691	40
41	.844	.809	.777	.747	.718	41
42	.879	.844	.809	.777	.747	42
43	.917	.879	.844	.809	.777	43
44	.957	.917	.879	.844	.809	44
45	.....	.957	.917	.879	.844	45
46	.....	.....	.957	.917	.879	46
47	.....	.....	.....	.957	.917	47
48	.....	.....	.....	.....	.957	48
49	.....	.....	.....	.....	.....	49
50	.....	.....	.....	.....	.....	50
51	.....	.....	.....	.....	.....	51
52	.....	.....	.....	.....	.....	52
53	.....	.....	.....	.....	.....	53
54	.....	.....	.....	.....	.....	54

TABLE B-3, PART II.

Endowment Assurances.

Single Premium per Unit of Sum Assured.

Age Attained	AGE AT MATURITY.						Age Attained
	50	51	52	53	54	55	
19	....	....	....	....	....	....	19
20	333	324	316	309	302	205	20
21	342	333	324	316	309	302	21
22	352	342	333	324	316	309	22
23	363	352	342	333	324	316	23
24	375	363	352	342	333	324	24
25	387	375	363	352	342	333	25
26	400	387	375	363	352	342	26
27	414	400	387	375	363	352	27
28	429	414	400	387	375	363	28
29	444	429	414	400	387	375	29
30	460	444	429	414	400	387	30
31	476	460	444	429	414	400	31
32	493	476	460	444	429	414	32
33	511	493	476	460	444	429	33
34	530	511	493	476	460	444	34
35	550	530	511	493	476	460	35
36	571	550	530	511	493	476	36
37	593	571	550	530	511	493	37
38	615	593	571	550	530	511	38
39	639	615	593	571	550	530	39
40	664	639	615	593	571	550	40
41	691	664	639	615	593	571	41
42	718	691	664	639	615	593	42
43	747	718	691	664	639	615	43
44	777	747	718	691	664	639	44
45	809	777	747	718	691	664	45
46	844	809	777	747	718	691	46
47	879	844	809	777	747	718	47
48	917	879	844	809	777	747	48
49	957	917	879	844	809	777	49
50	....	957	917	879	844	809	50
51	....	....	957	917	879	844	51
52	....	....	....	957	917	879	52
53	....	....	....	....	957	917	53
54	....	....	....	....	....	957	54

APPENDIX A.

TABLE B-4, PART I.

Endowment Assurance Experience.

Present Values of Annuities of One per Month.

Age	AGE AT WHICH PAYMENTS CEASE.					Age.
	45	46	47	48	49	
18	190.248	193.848	197.304	200.592	203.712	18
19	186.756	190.536	194.136	197.568	200.814	19
20	183.120	187.080	190.848	194.448	197.868	20
21	179.244	183.372	187.320	191.088	194.664	21
22	175.104	179.424	183.552	187.488	191.252	22
23	170.736	175.248	179.568	183.672	187.584	23
24	166.128	170.586	175.356	179.652	183.744	24
25	161.304	166.236	170.940	175.428	179.712	25
26	156.228	161.376	166.296	170.976	175.452	26
27	150.864	156.240	161.376	166.272	170.940	27
28	145.176	150.792	156.144	161.256	166.188	28
29	139.176	145.032	150.612	155.940	161.016	29
30	132.888	138.984	144.816	150.372	155.664	30
31	126.312	132.684	138.756	144.552	150.072	31
32	119.460	126.120	132.456	138.504	144.252	32
33	112.368	119.304	125.904	132.216	138.216	33
34	104.976	112.200	119.088	125.664	131.940	34
35	97.296	104.832	112.020	118.884	125.424	35
36	89.280	97.152	104.664	111.816	118.656	36
37	80.940	89.160	96.996	104.472	111.600	37
38	72.264	80.832	89.028	96.840	104.280	38
39	63.216	72.168	80.724	88.872	96.648	39
40	53.784	63.144	72.072	80.592	88.716	40
41	43.944	53.724	63.060	71.976	80.460	41
42	33.672	43.896	53.664	62.976	71.856	42
43	22.944	33.648	43.860	53.604	62.880	43
44	11.736	22.932	33.624	43.821	53.532	44
45	..	11.736	22.920	33.600	43.776	45
46	..	..	11.724	22.908	33.564	46
47	..	..	..	11.712	22.896	47
48	..	..	..	..	11.712	48
49	..	..	..	..	..	49
50	..	..	..	..	..	50
51	..	..	..	..	..	51
52	..	..	..	..	..	52
53	..	..	..	..	..	53
54	..	..	..	..	..	54

APPENDIX A.

TABLE B-4, PART II.

Endowment Assurance Experience.

Present Values of Annuities of One per Month.

Age.	AGE AT WHICH PAYMENTS CEASE.						Age.
	50	51	52	53	54	55	
18	206.688	209.520	212.232	214.776	217.224	219.552	18
19	203.922	206.928	209.760	212.424	214.992	217.416	19
20	201.200	204.240	207.92	210.000	212.664	215.208	20
21	198.072	201.324	204.408	207.341	210.144	212.808	21
22	194.796	198.192	201.420	204.492	207.408	210.192	22
23	191.304	194.856	198.240	201.444	204.504	207.396	23
24	187.644	191.352	194.880	198.216	201.408	204.432	24
25	183.768	187.656	191.328	194.832	198.600	201.324	25
26	179.700	183.714	187.505	191.256	194.736	198.024	26
27	175.380	179.604	183.624	187.440	191.064	194.520	27
28	170.748	175.152	179.352	183.336	187.128	190.728	28
29	165.840	170.448	174.828	178.992	182.928	186.672	29
30	160.704	165.504	170.064	174.488	178.524	182.424	30
31	155.328	160.332	165.096	169.688	173.404	177.572	31
32	149.736	154.956	159.924	164.640	169.004	173.352	32
33	143.940	149.376	154.560	159.480	164.136	168.664	33
34	137.904	143.592	148.992	154.128	159.000	163.608	34
35	131.652	137.580	143.220	148.572	153.648	158.472	35
36	125.148	131.328	137.220	142.812	148.004	153.144	36
37	118.392	124.848	130.992	136.824	142.368	147.600	37
38	111.360	118.104	124.512	130.608	138.392	141.876	38
39	104.052	111.096	117.804	124.164	130.200	135.924	39
40	98.456	103.812	110.808	117.468	123.768	129.744	40
41	88.548	96.240	103.560	110.508	117.096	123.360	41
42	80.316	88.356	96.012	103.272	110.172	116.700	42
43	71.736	80.148	88.152	95.760	102.972	109.800	43
44	62.784	71.592	79.968	87.924	95.472	102.624	44
45	53.460	62.688	71.448	79.776	87.696	95.172	45
46	43.716	53.376	62.556	71.292	79.572	87.408	46
47	33.528	43.656	53.280	62.124	71.112	79.344	47
48	22.872	33.504	43.596	53.184	62.292	70.920	48
49	11.712	22.860	33.456	43.524	53.088	62.136	49
50	..	11.700	22.836	33.408	43.452	52.956	50
51	..	..	11.700	22.824	33.372	43.268	51
52	..	..	..	11.688	22.800	33.312	52
53	..	..	..	..	11.688	22.776	53
54	..	..	..	..	..	11.676	54

APPENDIX B.

List of Books and Registers to be reviewed by the Superintendent and Gazetted Officer.

Note.—This Appendix contains a list of books and registers prescribed in this Code and under office orders. The books and registers relating to general audit, accounts, etc will be found in the lists appended to the relevant volumes. The omission from this appendix of any books or registers, the review of which has been prescribed in this Code or under special orders, should not be interpreted to mean that the review of such book or register should be dispensed with.

No.	Names of Registers etc.	Reference to Article.	Due date of review by the Superintendent and Gazetted Officer.
1	Register of proposals for Life Insurance.	8	Fornightly by Superintendent; 10th of every month by G. O.
2	Register of proposals rejected ...	.....	Last day of each month by the Supdt.
3	Register of Policies issued ...	11	Daily.
4	Broadsheet showing the schedules test-reviewed by the Superintendent.	20 Note.	Last day of the 2nd month of Account.
5	Final review of ledger cards by the Reviewers.	22	End of Magh of alternate years.
6	Registers of irregularities detected by the Reviewers.	22	Weekly.
7	Registers of Policies forfeited and cancelled.	24 & 26	Every time an entry is made.
8	Register of Medical fees paid ...	.....	Whenever an entry is made.
9	Registers of recovery of medical fees.	27	25th of each month.

No.	Names of Registers etc.	Reference to Article.	Due date of review by the Superintendent and Gazetted Officer.
10	Paid-up Policy Registers ...	28	Whenever claims arise.
11	Registers of refunds of pre- mia, etc.	29	Whenever a refund is authorised.
12	Registers of applications for surrender value.	31 Note 1	Weekly by the Super- intendent and 10th of every month by the Gazetted Officer.
13	Register of Assignments ...	.....	Whenever an entry is made.
14	Registers of commutations and conversions of policies.	32	Whenever an entry is made.
15	Registers of applications for Death and Completion.	35	Weekly by the Superintendent; 10th of every month by the Gazetted Officer.
16	Completion of review and at- testation of final payment cases including surrender value and Death/Completion Registers.	36	Last day of the second month follow- ing.
17	Monthly Closing of surrender value and Death/Completion payment registers.	36	15th of the 3rd month following.
18	Monthly reconciliation memo- randum of unposted items.	37 Note	Every month by the Superintendent till the unposted items are cleared.
19	Register of unposted item out- standing over six months.	37 Note	15th of every month.
20	Index Register of personal cases	.....	Last day of each month by the Supdt.

No.	Names of Registers etc.	Reference to Article.	Due date of review by the Superintendent and Gazetted Officer.
21	Compilation for effecting annual verification of credits with General Book figures.	37	At the end of the year, after the accounts are closed.
22	B r o a d s h e e t of Premia realised.	38	Last day of each month.
23	Broadsheet of charges ...	39	Ditto.
24	Compilation for effecting annual verification of charges with General Book figures.	39	At the end of the year, after the accounts are closed.
25	Reserve and Investment Registers.	41	Last day of each month.
25	Daily Progress Reports ...	62	Every Monday.
27	Monthly arrear report ...	.....	5th of the following month.
28	Calendar of Returns ...	.....	Do.
92	Register of " ...	.....	Do.
30	Printing charges Register ...	.....	Whenever an entry is made.
31	Stock Register of Issue Group Forms.	63	20th Katik of each year.
32	Miscellaneous Register in the charge of General and reference Clerks as per separate list in the Section.	.....	Last day of each month by the Supdt.

APPENDIX C.

Note.—The Appendix contains a list of periodical returns to be rendered by the Section which has been prescribed in this Code. The returns relating to general audit, accounts, etc. will be found in the relevant Codes, and special orders. The omission from this Appendix of any returns the submission of which has been prescribed in this Code, or under special orders should not be interpreted to mean that such returns should be discontinued.

PERIODICAL RETURNS TO BE RENDERED BY THE SECTION.

Serial No.	Description of Return.	Reference to Article.	To whom sent.	Due date of submission.	Remarks.
Month'y.					
1	Abstract of Transfer Entries.	.....	Book Section.	18th of the month.	
Annual.					
	Annual Report of the State Insurance Fund with the following statements:—				
1	The cost of working administration accounting and audit.	61	Government.	25th Phagan.	
2	Statement A-I showing the operation of the scheme of Life Insurance and Endowment Assurance.	43	"	"	
3	Statement B giving an abstract of Life Insurance and Endowment Assurance Policies issued, discharged, lapsed and surrendered.	43	"	"	

Serial No.	Description of Return.	Reference to Article.	To whom sent.	Due date of submission.	Remarks.
4	Statement C-I showing financial result of the Life Insurance Section.	43	Government & actuary.	25th Phagan.	
5	Statement C-II showing financial result of the Endowment Assurance Section.	43	Government & actuary.	"	
6	Summary of policies showing the variations and the number and sum assured and exposed to risk at each attained age in the year ending 31st Assuj.	49	Government Actuary at time of valuation.	After the close of the accounts for the year.	
7	Consolidated statement showing the number and sum assured, exposed to risk at each attained age on 31st Assuj and the number and sum assured of policies under claims by death.	49	Actuary at the time of valuation.	After the close of the accounts for the year.	
8	Statement showing particulars of policies which became claims either by death or survivance since the establishment of the Fund down to 31st Assuj ending the quinquennium but which will remain unpaid on that date.	49	"	"	

Serila No.	Description of Return.	Reference to Article.	To whom sent.	Due date of submis- sion.	Remarks.
9	Statement showing particulars of policies forfeited since the establishment of the Fund the surrender values of which have not been claimed and paid during the period.	49	Govern- ment.	25th Phagan.	

APPENDIX D.

List of Forms

Serial No.

F. No.

Description of Form.

Remarks.

TO BE PRINTED LATER ON.

I N D E X.

This index deals only with the rules in the several chapters and does not cover the appendices or the forms. It has been compiled solely for the purpose of references. No expression used in it should be considered as in any way interpreting the rules.

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